withdrawn from the assessment year 2006-07 onwards. The revenue implications would be perceived once the income from this source comes to tax.

Disinvestment of loss making PSUs

469. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided divestment of some loss making PSUs and that a Group of Ministers (GoMs) has been formed to identify and decide price etc. for such Undertakings;

(b) if so, the details thereof with terms of reference to GoMs; and

(c) the details of recommendations made by GoMs ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise in view of reply to part (a) above.

Low productivity of PSU bank staff

470. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that during 2003-04 a PSU bank staffer did Rs. 2.4 crore of business, while his counterpart in a private bank did 75 percent better, clocking Rs. 4.2 crore of business;

(b) if so, inspite of this low business profile staff of PSU, they are demanding more salary and perquisites than their counterparts in private banks are getting and often go on strike;

(c) whether Government have ever confronted these PSU bank-employees with their low productivity in the shape of getting business; and

(d) if so, whether any steps are being taken to link the payment of higher salary to matching productivity ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) The associations/unions of officers/employees of the Public Sector Banks (PSBs) have been seeking wage revision in their salaries & perquisites *vis-a-vis* the last wage settlement.

(c) and (d) All the PSBs have been given autonomy to negotiate their wage settlements with their officers/employees associations/unions through the Indian Banks' Association.

Mismanagement of funds by UCBs

471. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether, of late, there have been many Urban Co-operative Banks folding up due to mismanagement of funds;

(b) whether Reserve Bank of India has suggested to Government to do away with the dual management of co-operative banks with both States and the Centre pulling at different directions; and

(c) whether Government would seriously consider reforms in the co-operative banks sector by divesting State control?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. There have been instances where due to loans and advances turning non-performing, irregularities in the transactions in Government securities etc., the viability of many Urban Co-operative Banks have been affected necessitating their licence to be cancelled or taken in to liquidation.

(b) and (c) Reserve Bank of India had suggested certain amendments to the Banking Regulation Act, 1949 (AACS) to overcome the issue related to dual management of co-operative banks. The Banking Regulations (Amendment) and Misc. Provision Bill, 2003 incorporating these suggestions, was introduced in the Parliament which lapsed on account of dissolution of 13th Lok Sabha. The Government has now constituted a Task Force on 5th August, 2004 under the Chairmanship of Prof. A. Vaidyanathan *inter alia* to suggest appropriate regulatory frame work for the Co-operative Banks. Amendment required in the Banking Regulation Act, 1949 for putting in an effective regulatory framework for Co-operative Banks would be considered on receipt of the report of the task Force.